

SCHEDULE

Regulation 5

MODIFICATIONS OF THE FUNDS REGULATIONS

1. In regulation 2 (interpretation)—
 - (a) in paragraph (1) insert the following definitions—
 - ““preceding financial year” means the financial year that precedes the relevant year;
 - “predecessor billing authority” means a predecessor council which, as regards the preceding financial year, is a billing authority for the purposes of Part 1 of the 1992 Act;
 - “predecessor council” means a local authority which, by or in consequence of a section 7 order, ceases to exist on the reorganisation date;
 - “predecessor county council” means a predecessor council which is a county council;
 - “relevant year” means the financial year beginning on the reorganisation date;
 - “reorganisation date”, in relation to a council, means the date specified in the section 7 order as that on which a structural change comes into effect;
 - “section 7 order” means an order under section 7 of the 2007 Act;
 - “single tier council” means a local authority which on and after the reorganisation date is the sole principal authority for an area;
 - “successor council”—
 - (a) in relation to a predecessor council whose area is to become part of the area of a sole single tier council on the reorganisation date, means the preparing or shadow council which will become that single tier council;
 - (b) in relation to a predecessor council whose area is to become the area of more than one single tier council on the reorganisation date, means the preparing or shadow councils which will become those single tier councils;”;
 - (b) After paragraph (3) insert—
 - “(4) For the purposes of these Regulations—
 - (a) a single tier council is related to a billing authority (whether or not a predecessor billing authority) and to a predecessor county council if on the reorganisation date the area of the single tier council includes that of the billing authority or county council; and
 - (b) where on the reorganisation date the area of a billing authority (whether or not a predecessor billing authority) or a predecessor county council is comprised in the areas of two or more single tier councils taken together, both or all of those single tier councils are related to the authority.”.
2. In regulation 5 (information on schedules of instalments), omit paragraph (1)
3. In regulation 11 (apportionment of and liability for surpluses and deficits)—
 - (a) in paragraph (2), for “Any” substitute “Subject to paragraphs (2A) to (2C), any”;
 - (b) after paragraph (2), insert—
 - “(2A) The amounts estimated by a shadow council, or a preparing council which is a county council, as the aggregate of—
 - (a) the amounts that, but for the section 7 order, would have belonged to each of its predecessor billing authorities as the billing authority’s share of any surplus in its collection fund as regards the preceding financial year; and

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- (b) the amounts that, but for the section 7 order, would have been borne by each of its predecessor billing authorities as the billing authority's share of any deficit in its collection fund as regards the preceding financial year,

shall be treated, as regards the relevant year, as amounts estimated as belonging to or to be borne by the related single tier council.

(2B) The amount of any surplus or deficit in its collection fund estimated by a council which is both—

- (a) a billing authority as regards the preceding financial year, and
- (b) a single tier council as regards the relevant year,

(a “continuing council”) as an amount that, but for the section 7 order relevant to the continuing council, the continuing council would have been required to treat as the amount of the surplus or deficit estimated as belonging to or to be borne by its related predecessor county council as regards the relevant year, shall be treated, as regards that year, as the amount of the surplus or deficit estimated as belonging to or to be borne by the continuing council (in addition to any amount that it is entitled, in accordance with paragraph (2), to treat as belonging to or to be borne by it).

(2C) The amount estimated by a shadow council, or a preparing council which is a county council, to be the amount of any surplus or deficit in the collection fund of each of its predecessor billing authorities that, but for the section 7 order relevant to its related predecessor county council, the predecessor billing authority would have been required to treat as the amount estimated as belonging to or to be borne by its related predecessor county council as regards the relevant year, shall be treated, as regards that year, as the amount of the surplus or deficit estimated as belonging to or to be borne by the related single tier council.”; and

- (c) After paragraph (3) insert—

“(4) Each predecessor billing authority shall, at the same time as it informs its relevant major precepting authorities by notice in accordance with paragraph (3) (a “paragraph (3) notice”), send a copy of the paragraph (3) notice to its related successor council.

(5) As soon as practicable after a shadow council or a preparing council which is a county council receives a copy of a paragraph (3) notice, it shall prepare a schedule of instalments⁽¹⁾ of amounts payable in the relevant year—

- (a) on the basis of the information contained in the paragraph (3) notice, and
- (c) in accordance with regulation 4.”.

(1) As to “schedule of instalments”, see the definition in regulation 2(1) of [S.I. 1992/2428](#).